# Elementary and Secondary Education

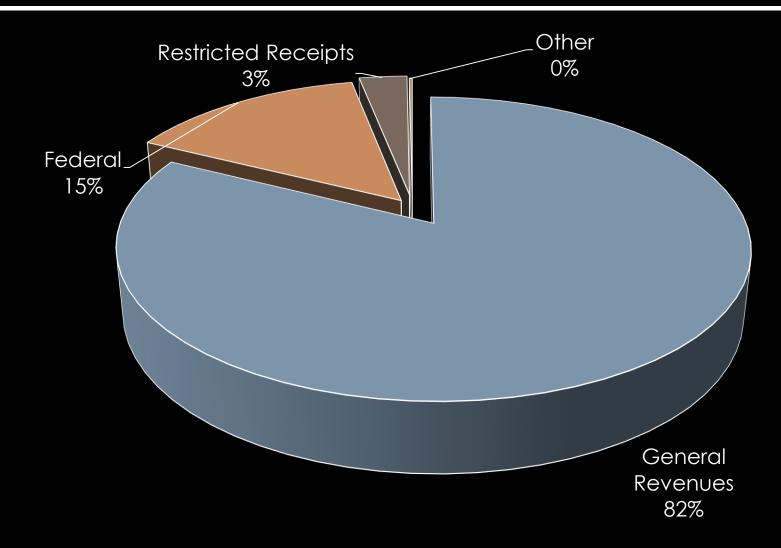
FY 2021 Revised, FY 2022 Operating and Capital Budgets
Staff Presentation
May 5, 2021

## **Summary By Program**

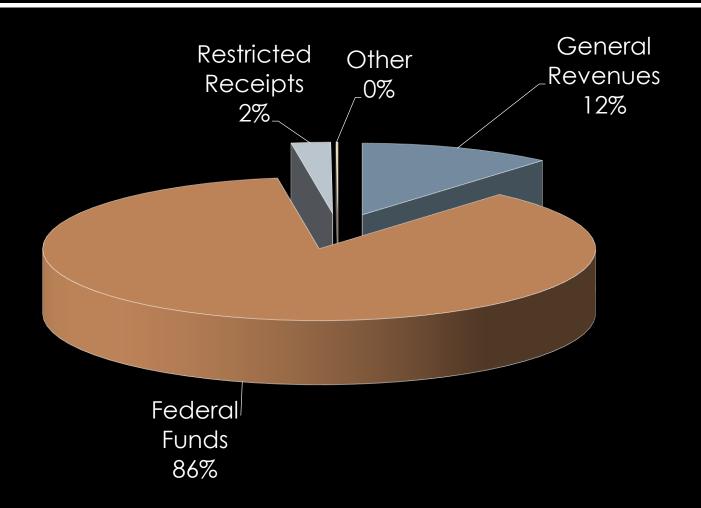
	FY 2021 Enacted	FY 2021 Gov. Rev.	FY 2022 Governor	FY 2022 Gov. Chg. to Enacted
Aid Programs	\$1,339.5	\$1,342.3	\$1,341.8	\$2.2
Operations	317.6	331.9	262.6	(54.8)
School for the Deaf	8.0	7.9	8.2	0.2
Total	\$1,665.2	\$1,682.1	\$1,612.6	(\$52.6)
FTE	325.1	325.1	325.1	-

\$ In millions

# FY 2022 Department by Source



# FY 2022 Admin & School for Deaf



## Staffing

Full-Time Positions	RIDE	Davies	Deaf
Enacted	139.1	126.0	60.0
FY 2021 Revised	139.1	126.0	60.0
FY 2022 Request	145.1	123.0	61.0
FY 2021 Governor	142.1	123.0	60.0
FY 2022 Funded FTE	136.3	116.1	60.0
Filled as of April 10	134.0	104.0	60.0

# FY 2022 Major General Revenue Changes

Item	Chg. to Enacted
Funding Formula (incl. CF, Met & Davies stabilization funds)	\$38.2
Group Home Aid	(0.1)
School Resource Officer Aid	(0.3)
Teacher Retirement	5.5
School for the Deaf	0.5
New & Ongoing Initiatives	1.2
New Personnel	0.4
All Other	0.2
Total	\$45.6

#### **Education Aid**

- Funding formula includes
  - Core instruction amount per pupil
  - Single poverty weight as proxy for need
    - 185% of federal poverty level
      - RIDE matches students to HHS caseloads
      - Self reported by schools
  - State share ratio that considers the district's ability to generate revenues and its poverty concentration
    - Ranges from 4.1% to 95.4%

#### **Education Aid**

FY 2022	>185% of FPL	185% of FPL
Core instruction amount	\$10,635	\$10,635
40% weight	_	4,254
Per student amount	\$10,635	\$14,889

FPL = Federal Poverty Level

- This is the basis for the rest of calculation
- Core instruction amount based on RI, MA,
   CT & NH averages updated annually

#### FY 2022 Education Aid

- Charter & state schools subject to formula
  - State share ratio = that of sending district
  - Local share = local per pupil funding adjusted for the greater of 7% or districts unique costs
  - Currently 22 charter schools/2 state schools
    - Additional 2 pending final approval for FY 2022
      - Combined, 9.7% of total enrollment
  - Impacts to districts are different

#### FY 2022 Education Aid

- FY 2022 is 11<sup>th</sup> year of funding formula
  - \$1,038.2 million including Central Falls & Met
  - \$37.8 million more than enacted
- Governor uses March 2020 student enrollment data adjusted for FY 2022 projected charter school enrollments
  - Updated March enrollment data provided April 15
    - \$39.9 million less than Governor's budget

#### FY 2022 Education Aid

- April 15 revisions = \$39.9 million less than Governor
  - ~ 4,000 fewer students
  - ~7,700 fewer students < 185% FPL</li>
  - 2 new charter schools projected to open in fall 2021
    - Preliminarily approved by Council in December
  - 3 existing charter schools expanding
    - Approved by Council in December

#### **Central Falls**

- Was fully state supported prior to FY 2012
  - State support through a stabilization fund has been substituting for local share since
  - Still no local share
- \$47.7 million from general revenues for FY 2022
  - \$1.1 million more from formula aid
    - March update is \$2.0 million less than Governor
  - Includes \$8.5 million stabilization funding
    - \$1.5 million more than enacted

#### Central Falls – Audit Finding

- FY 2020 findings on financial record keeping
  - Numerous errors in accounting system related to data entry
    - District will ensure adequate staff training, appropriate contrails related to authorization and review of transactions, & timely record
  - District has a list of capital assets w/ no supporting information – location or source of funds used
    - District to update inventory system

## Metropolitan Career & Technical School

- Fully state supported prior to FY 2012
  - Similar to Central Falls w/ lump sum allocation
- State aid through funding formula
- Local share from districts that send students to the school
- \$9.3 million for FY 2022
  - Same as enacted
  - Includes \$1.3 million from stabilization funding

## Davies Career & Technical School

- Four-year high school students apply
  - State aid determined through funding formula
  - Local share of funding from districts that send students to the school
    - Flows into restricted receipt account to partially offset loss of state aid
- Fully state supported prior to FY 2012
- \$22.1 million for FY 2022
  - \$0.7 million more than enacted
    - Reflects rising personnel costs

## Davies Career & Technical School

	FY 2021 Enacted	FY 2021 Gov. Rev.	FY 2022 Governor	FY 2022 Gov. to Enacted
General Revenues	\$13.7	\$13.7	\$14.4	\$0.7
Federal Funds	1.0	1.3	0.7	(0.3)
Restricted Receipts	4.8	4.8	4.8	0.0
Other Funds	1.2	0.8	2.1	0.9
Total	\$20.7	\$20.6	\$22.1	\$1.3
FTEs	126.0	126.0	123.0	(3.0)

\$ In millions

Staff are state employees

#### Categorical Funds

- State funding outside the base formula & subject to appropriation
  - High-cost special education students
  - Career & technical programs
  - Early childhood education programs
  - Transportation (Regional & Non-Public)
  - English language learners
  - School Resource Officers (3 years only)
- Designed to fill gaps not resolved by formula

### Categorical Funds

- Categorical funding was anticipated to grow over 10 years
  - Level funded in Governor out-year projections
- Teacher retirement & school construction aid do not go through formula
  - Teacher retirement: state pays equal share (40%) for every district's teacher retirement costs regardless of base salary
  - Housing aid reimbursements determined by separate formula

## FY 2022 Categorical Funds

Categorical Funds	FY 2022 Governor	Change to Enacted
English Language Learners	\$5,000,000	\$ -
High Cost Special Ed	4,500,000	-
Career & Technical	4,500,000	-
School Resource Officers (3 year program)	_	(325,000)
Transportation	7,661,360	-
Early Childhood	14,850,000	-
Total	\$36,511,360	\$(325,000)

### Categorical Funds

- English Language Learners
  - For programs proven to increase outcomes
    - Based on criteria determined by Commissioner
    - Prorated to appropriation, based on costs
- High Cost Special Education
  - Prorated to appropriation, based on costs
  - \$4.6 million of aid on \$9.1 million of expenses
  - 2017 Assembly required data collection on costs exceeding 2X & 3X per pupil amount
    - \$60.6 million of expenses under 2x
    - \$34.5 million of expenses under 3x

### Categorical Funds

- Career & Tech Education
  - Transform existing or create new programs
  - Offset costs associated w/ facilities, equipment maintenance, repairs, & supplies
- Regional Transportation
  - To mitigate excess costs of transporting pupils within regional districts
- Non-Public Transportation
  - To mitigate excess costs of transporting pupils to out-of-district public schools

#### **Early Childhood**

- Enacted budget includes \$14.9 million
  - Fully-fund existing classrooms
  - New federal funds used to expand access

Source	FY 2017	FY 2018	FY 2019	FY 2020*	FY 2021	FY 2022
EC Aid	\$5.2	\$6.2	\$6.2	\$14.9	\$14.9	\$14.9
Federal Funds	5.1	5.6	5.6	1.3	4.2	6.2
Other	-	-	1.1	-	-	-
Total	\$10.3	\$11.8	\$12.9	\$16.2	\$19.1	\$21.1

<sup>\$</sup> in millions; \* Federal funds for committed contract expenses, not available for seats

#### **Early Childhood**

- FY 2022 budget includes
  - \$3.0 million Preschool Development Grant
    - FY 2023 last year of funding
  - \$2.5 million Governor's Emergency Ed funds (CARES Act - GEER)
    - Available for FY 2022 only
- New FY 2022 seats would require alternate funding – general revenues?
  - Out-year estimates do not account for this
    - Same issue as FY 2020

## Prekindergarten Classrooms

Community	2015	2016	2017	2018	2019	2020	2021
Bristol-Warren	-	-	-	-	-	1	1
Central Falls	1	3	4	5	5	5	6
Coventry	-	-	-	-	-	2	4
Cranston	1	2	3	3	4	9	9
E Providence	-	1	8	8	8	9	10
Johnston	-	-	1	1	1	1	2
Middletown	-	-	-	-	-	-	2
Newport	2	3	3	3	2	2	2
N Kingstown	-	-	-	-	-	-	1

### Prekindergarten Classrooms

Community	2015	2016	2017	2018	2019	2020	2021
N Providence	-	-	1	1	1	1	2
Pawtucket	-	-	3	4	6	7	8
Providence	7	14	20	22	20	21	26
Warwick	2	2	2	2	3	5	6
W Warwick	2	3	4	4	3	4	4
Westerly	-	-	-	-	-	-	1
Woonsocket	2	5	7	7	7	11	12
Total	17	33	56	60	60	78	96

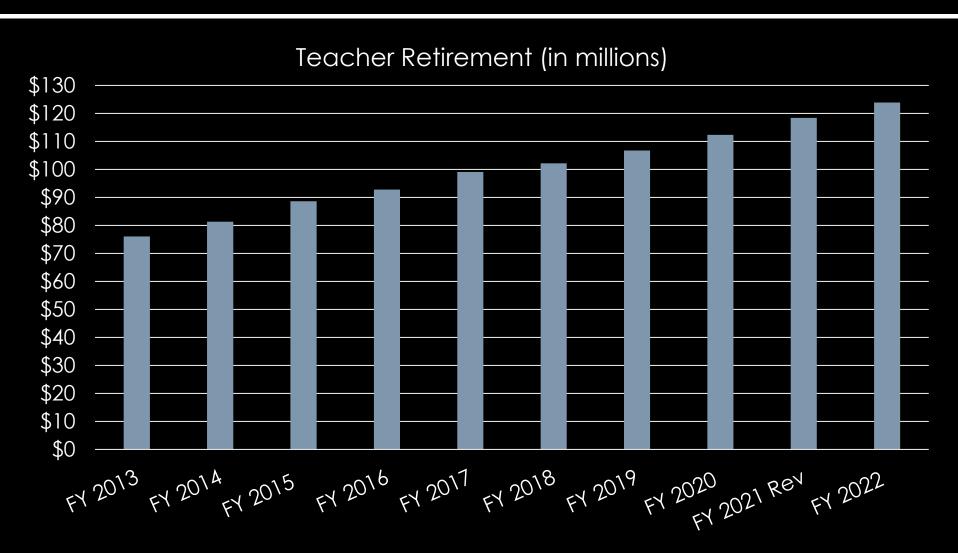
#### **Group Home Aid**

- Law requires funding in current year for all beds open as of December 31
  - \$153,000 for additional beds in Portsmouth & Providence
    - Not in Governor's budget but Budget Office indicates GBA will be requested
- FY 2022 Budget
  - \$2.9 million, \$0.1 million less than enacted
    - Based on 321 beds
- Group Home aid based on number of beds open as of December 31

#### **Teacher Retirement**

- \$123.9 million for FY 2022
  - \$5.5 million more than enacted
- State pays 40% share of employer contribution
  - Employers pay difference between teachers' share and amount needed to support system
  - Mayoral academies are exempt but other charter schools participate
- Teachers contribute 8.75% of salary

#### **Teacher Retirement**



### School Housing Aid Overview

- State reimburses cities/towns for a share of projects
  - Includes principal and interest
  - State shares based on district's wealth compared to aggregate state wealth
    - Minimum state share is 35%
      - 18 communities for FY 2021
    - Charter schools are at 30%
- Reimbursement typically begins after project completion
  - Now some up front funding from GO funds

	Traditional School Housing Aid	SBA Capital Fund	Total
FY 2016	\$70.9	\$20.0	\$90.9
FY 2017	\$69.0	\$11.0	\$80.0
FY 2018	\$69.1	\$10.9	\$80.0
FY 2019	\$65.3	\$14.7	\$80.0
FY 2020	\$78.6	\$1.1	\$79.7
FY 2021	\$79.1	\$0.9	\$80.0
FY 2022 Governor	\$79.4	\$0.6	\$80.0
Chg. to Enacted	\$0.3	\$(0.3)	\$ -

\$ in millions

- Voters approved \$250 million GO bond for school construction in Nov. 2018
  - Unlocked new, temporary incentives to increase state share ratio up to 20%
  - Out-year estimates do not assume any impacts of this change
- For FY 2019 & FY 2020 difference between annual appropriation & actual aid used for technical assistance to districts

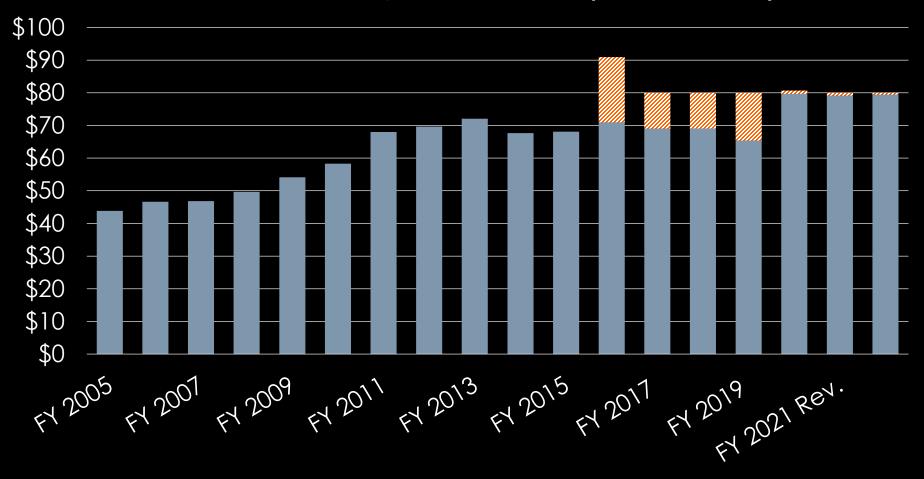
- Bond funding used for up front aid
  - Projects approved through November 2020
    - 2021 approvals subject to available funding
  - Projects approved between May 1, 2015 & January 1, 2019 that are not completed or already bonded through RIHEBC
- 15% of state share offered up-front for eligible projects
  - Funding provided on approved invoices
  - Have 2 years to spend

As of April 2021	Remaining Project Costs	Base State Share	15% of State Share*
Existing Approvals	\$1,245.4	\$767.5	\$173.4
Projected FY 2021 Approvals	224.2	98.1	19.2
Projected FY 2022 Approvals	442.4	226.6	46.5
Total	\$1,912.0	\$1,092.2	\$239.0

\$ in millions; \* includes funding for interest

Governor out-year estimates fund program up to \$130.8 million by FY 2026

Historical Expenditures (in millions)



■ School Housing Aid

■ School Building Authority

#### Capital Funding – Audit Finding

- FY 2020 finding
  - Communication issue between Department & RIHEBC
  - \$26.9 million from bond was transferred to the Corporation in FY 2020
    - Lump sum transfer rather than as needed
- RIHEBC & SBA to establish monthly process based on estimated funding for the upcoming month

### New/Ongoing Initiatives

FY 2022 Governor	General Revenues	Federal Funds	Other Funds
State Testing	\$1.1	\$4.0	\$-
Student Mental Health	0.6	2.8	-
Recovery High School	0.5	-	-
Principal Empowerment/Training	0.5	-	-
Computer Science for RI	0.2	-	-
Advanced Coursework Network	0.2	-	0.3
Curriculum Development	0.2	-	-
Total	\$3.2	\$6.8	\$0.3

\$ in millions

# New/Ongoing Initiatives-State Testing

- Governor adds \$0.6 million from general revenues for state testing in FY 2022
  - \$115,000 more for English language learners
    - FY 2021 includes \$0.4 million from federal funds
    - Increase in students taking testing
    - Used to place/evaluate English language learners
  - \$450,000 more for all other state testing
    - General revenues replaces decline in available federal funds
    - Budget assumes \$4.0 million from federal funds

# New/Ongoing- Student Mental Health

- Governor recommends \$590,000 from general revenues student mental health
  - Support mental & behavioral health training, curricula, and other materials
  - Opioid Stewardship funds in enacted budget
- In 2019, Department received 5-year grants for mental health & academic achievement
  - \$3.1 million for FY 2021
  - \$2.8 million for FY 2022

# Federal Funds

	Pass-thru to Locals	Dept. Grants	Contracts	Personnel & Other	Total
Title I	\$56.7	\$ -	\$0.2	\$0.6	\$57.5
School Lunch	\$30.9	1.1	-	-	\$32.0
Other Nutrition	\$15.6	10.6	1.0	0.8	\$28.0
Special Ed	\$44.3	0.2	4.4	2.0	\$50.9
Vocational & Adult Ed	\$7.0	2.0	0.4	0.6	\$9.9
Teacher Quality	\$9.8	-	-	0.6	\$10.4
ESSA	\$7.5	-	-	0.0	\$7.5
All Other	\$8.8	18.2	6.9	3.2	\$27.2
Total	\$180.6	\$32.1	\$12.9	\$7.8	\$223.4

\$ in millions

# Federal Grants in Millions



#### **Vision Services**

- Services provided by Sherlock Center at RIC since 2005
  - Previously housed at the School for the Deaf
  - 136 students in 25 LEAs
- RIDE provides \$0.7 million annually from federal funds
  - LEAs charged on a fee-for-service basis
- Contract expired in June 2020
  - One year contract extension exercised
- RIDE decided to issue RFP in early 2021

#### **Vision Services**

- Not all LEAs use the Sherlock Center
  - Have own teachers
  - Contract with Perkins School
- RFP will result in vendors being approved for Master Price Agreement
  - No longer a single source contract
  - LEAs to choose from vendors on MPA
- Sherlock/RIC and Perkins only vendors applied

- CARES Act funding in FY 2020 & FY 2021 budgets
- New acts add more money with new rules & longer availability
  - Funding not in Governor's budget

Education Funds	CARES	CAA 2021	ARPA	Total
Governor's Fund	\$8.7	\$11.0	\$6.2	\$25.9
K-12 Fund	46.4	184.8	415.0	646.2
Higher Education Fund	29.5	51.5	91.9	172.9
Students w/ Disabilities	-	-	11.7	11.7
Total	\$84.6	\$247.3	\$524.8	\$856.7

- Governor's Fund flexible funding
  - In January, Governor Raimondo submitted her use plan for CARES and new funding

Governor's Initiatives		Budget
Increase student access to mental health	\$0.9	BHDDH
Expand prekindergarten	2.5	RIDE
Expand access to CCRI similar to Promise	5.3	CCRI
Office of Postsecondary Commissioner	3.9	OPC
Private Schools*	7.1	
Total	\$19.7	

- Elementary & Secondary Education Emergency
   Funds \$646.2 million from 3 Acts
  - At least 90% must go to LEAs \$581.5 million
  - Distributed based on allocation of Title I-A
  - Maintenance of Effort for all funds
    - Maintenance of Equity for ARPA funds

Schools	CARES	CAA 2021	ARPA	Total
Districts	\$37.6	\$148.3	\$333.1	\$519.0
Charters	3.5	15.0	33.6	52.0
State Operated	0.7	3.1	6.9	10.6
Total	\$41.7	\$166.3	\$373.5	\$581.5

- To be used for activities necessary to maintain operations & services
  - Cleaning, coordinating response efforts, planning for long-term closure
  - Staff training & purchasing technology
  - Needs of specific student populations
  - Mental health services & supports
  - Learning loss
    - Summer learning & supplemental afterschool programs
    - ARPA requires 20% of LEA spending

- Remaining 10% may be reserved by RIDE
  - For emergency needs related to COVID-19
  - Admin costs limited to 0.5% of total award
    - ARPA requires
      - 5.0% to address learning loss
      - 1.0% each for summer enrichment & afterschool programs

Schools	CARES	CAA 2021	ARPA	Total
Admin Costs	\$0.2	\$0.9	\$2.1	\$3.2
Grants	4.4	17.6	39.1	61.1
Total	\$4.6	\$18.5	\$41.5	\$64.3

- Maintenance of effort
  - Eligibility requires states to maintain a certain level of support from FY 2020 to FY 2023
  - CARES Average of FY 2017, FY 2018 & FY 2019
    - Excludes research & development, tuition/fees, or capital projects
    - Other bills require at least proportional state spending on education v. rest of state budget
- ARPA adds local maintenance of equity
  - Per pupil spend for high need/poverty LEAs

MOE	K-12		High	er Ed	
State Support	Spending	% State Spending	Spending	% State Spending	
FY 2017	\$1,093.1	29.77%	\$172.1	4.69%	
FY 2018	\$1,141.2	30.04%	\$178.6	4.70%	
FY 2019	\$1,166.6	29.73%	\$185.5	4.73%	
Average	\$1,133.7	29.85%	\$178.7	4.70%	
FY 2021 Rev.	\$1,260.9	32.48%	\$189.4	4.88%	
Chg. to Avg.	\$127.3	2.64%	\$10.7	.17%	
FY 2022 Gov.	\$1,304.7	29.85%	\$197.1	4.51%	
Chg. to Avg.	\$171.0	0.00%	\$18.3	(.20%)	

\$ in millions

- Maintenance of effort affected by both education & total state spending
  - Will be based on enacted budget
  - Issues affecting calculation
    - March funding formula data update
    - May caseload & revenue conferences
    - Changes in agency spending based on both experience and proposed initiatives
- MOE waivers available
  - FY 2020 due May 17, 2021
  - FY 2021 due December 30, 2021

# **Administrative Personnel**

- \$21.6 million for FY 2022 for 142.1 FTEs
  - \$0.1 million more than enacted
    - \$0.5 million more from general revenues
  - Adds 3.0 FTEs: Transformation Specialist,
     Curriculum & Communication
  - FY 2019 budget transferred school construction staff to receipts from RIHEBC
    - \$0.8 million for FY 2022

# **Administrative Personnel**

New Positions	FTE	Cost	Funding Source	
Transformation Specialist	1.0	\$0.1		
Curriculum Support	1.0	0.1	General Revenues	
Communications Manager	1.0	0.1	100000	
Total	3.0	\$0.4		

\$ in millions

# School for the Deaf

- Purpose: furnish the state's deaf children a system of free appropriate public education and serve as a resource to school districts with deaf or hard of hearing children
- Not funded through funding formula
  - State supports core program
  - Sending districts billed for services that fall outside the core program

# School for the Deaf

	FY 2021 Enacted	FY 2021 Gov. Rev.	FY 2022 Governor	Gov. Chg. To Enacted
General Revenues	\$6.7	\$6.7	\$7.2	\$0.5
Federal Funds	0.5	0.5	0.2	(0.3)
Restricted Receipts	0.5	0.5	0.5	(0.0)
Other Funds	0.3	0.1	0.3	-
Total	\$8.0	\$7.9	\$8.2	\$0.2
FTE	60.0	60.0	60.0	-

#### \$ in millions

- Currently 81 students
  - 77 from Rhode Island
  - 4 from out of state tuition charged

#### Other

- Article 1 identifies appropriations to community organizations
- \$90,000 Hasbro Children's Hospital
  - To support hospital school
- \$345,000 Child Opportunity Zones (COZ)
  - Strengthen education, health and social services for students and their families
    - A strategy to accelerate student achievement
- Same as enacted

# Capital Projects

Project	Total Cost	Start Date	End Date	Source
Davies Health Career	\$5.0	FY 2022	FY 2023	RICAP
Davies HVAC	4.2	FY 2006	FY 2023	RICAP
Davies Asset Protection	5.0	Perpetual		RICAP
Met Asset Protection	2.8	Perpetual		RICAP
Met Roof Replacement	4.1	FY 2023 FY 2025		RICAP
RISD Asset Protection	0.8	Perpetual		RICAP
School Construction Bond	250.0	FY 2020	FY 2023	GO
2 <sup>nd</sup> School Construction Bond	250.0	FY 2024	Post FY 2026	GO
Total	\$521.9			

\$ in millions

# Capital Projects

- Capital budget assumes an additional \$250.0 million of general obligation bonds be submitted to voters in 2022
  - Supports school construction and renovation projects
    - \$50.0 million assumed for each FY 2024 FY 2026
    - Remaining programmed in post-FY 2026
  - FY 2019 budget submission did not assume a 2<sup>nd</sup> ballot measure

# Annual Reporting Requirements

- 2013 Assembly enacted legislation requiring OMB to prepare, review & inventory all reports filed with Assembly
- Report to be presented to Assembly as part of budget submission annually
- Department is required to submit 5 reports

# Annual Reporting Requirements

Report	Date	Submitted/filed
Contingency Liabilities	Quarterly	Yes
Pending Litigation Report	Quarterly	Yes
State of Education	March 31	In Progress
Career & Technical Education	Annually	Yes
Unified Approach to State Education Study	Once; July 1, 2017	Yes

# 2019 Education Reforms

Bill #	Legislative Action
H-5008, Sub B	<ul> <li>Develop/implement statewide academic standards (by December 31, 2019)</li> <li>Develop curriculum frameworks for core subjects (by September 1, 2021)</li> <li>Must identify at least 5 examples of high-quality curriculum &amp; materials for each core subject (math &amp; ELA by January 1, 2021; science &amp; technology by January 1, 2024)</li> <li>Professional development</li> </ul>
H-6084, Sub A	<ul> <li>Greater school-based management at school level</li> <li>Expands duties of school improvement teams</li> <li>Expands duties of principals (by August 1, 2021)</li> <li>Accountability though evaluation, assessment &amp; review reports (annual reporting)</li> </ul>

#### 2019 Education Reforms

# H-6085, Aa • New certification for aspiring principals H-5887, Sub B • Requires licenses elementary school teachers to be proficient in scientific reading instruction (by 2025) • Professional development

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